

**Minutes**  
**City of Gresham Finance Committee**  
**Wednesday, June 16, 2010 7 p.m.**  
**Oregon Trail Conference Room**

**Finance Committee Members Present:**

Tony Palermini, Chair  
John Kilian, Vice Chair  
Richard Anderson  
Mike Bennett  
Gregg Marshall  
Ron Ritter  
Sue O'Halloran

Kris Leibrand (Recording Secretary)

**Finance Committee Members Absent:**

**Council Members Present:**

Paul Warr-King, Councilor

**Staff members in attendance:**

Wyatt Parno, Finance Manager  
Julie Kallem, Budget Analyst

**1. Convene Meeting**

Chair Palermini convened the meeting of the Gresham Finance Committee at 7:00 pm.

**2. Public Comment**

None.

**3. Minutes of May 19, 2010**

A motion was made by Vice-Chair Kilian and seconded by Mr. Anderson to:

**“Approve the minutes for the May 19, 2010 Finance Committee meeting as submitted.”**

**MOTION CARRIED UNANIMOUSLY**

**4. GDDA & Visitor's Center Agreement Next Steps**

Mr. Parno explained that staff is asking for input from the Finance Committee on issues that might be included in the agreements for the Gresham Downtown Development Association and the Chamber's Visitor's Center. He said originally the plan was to form a sub-committee, but it was decided to get the full Committee's input and have staff develop the agreement and bring it back to the Committee for approval.

Committee members engaged in a brainstorming session with the following conclusions:

- The Finance Committee has oversight responsibility but the boards are responsible for their budgets – Finance Committee does not want to micromanage them.
- The Finance Committee needs to provide GDDA & the Visitor's Center with an outline of the report format they expect to see.
- It is the Finance Committee's responsibility to verify that funds are expended as laid out in the terms of the contract.
- The Committee would like to see an annual budget with actual expenditures on a quarterly basis with a variance analysis with an explanation of any difference over 10%.
- The report from GDDA should separate out the EID funds and the grant funds.
- Use a 12-month rolling cash flow statement.
- The Finance Committee would like to see an annual report in February
- The Chamber and GDDA should both report quarterly to the Finance Committee.
- The Finance Committee would like the Chamber to include in the report a proactive, long-term plan on how they are going to promote Gresham.
- Could use an incentive to the Chamber by tying it to the room tax.

Chair Palermini asked that Mr. Parno take the information back and bring a summary to the July meeting for further review and decisions.

The Committee answered the questions posed on the GDDA & Visitor's Center Agreement Next Steps memo:

What programs should the City's payments be used for?

- Keep in mind how the items that are funded by the grant would look as an article on the front page of the Oregonian – use best judgment.

What are performance measures that can be used to track the program outcomes?

- The goals of the contract need to be outlined/stated prior to awarding the grants and the Finance Committee's role is to ensure the grant funds are being spent where they said funds would be spent.

How often should the organization report to the Finance Committee? To the Council?

- The Finance Committee would like to receive quarterly updates from the Visitor's Center and GDDA and an annual in person report around February or March to prepare for the Budget Hearings.
- These organizations do not need to report to the City Council. The Finance Committee can update the Council annually with a memo after the annual report.

Should the City Auditor be involved with performance audits on the use of this money?

- The City Auditor does not need to be involved in performance audits on the use of the money.

What should be reported?

- How the funds that were allocated were used.

## **5. Financial Policy for Rainy Day Reserve**

Mr. Parno explained that at the Budget Hearings the City Manager requested ideas from the Finance Committee for replenishing the Rainy Day Reserve. Mr. Parno said that tonight we

need to provide suggestions to the City Manager and the service area managers for a decision.

Mr. Parno and Ms. Kallem answered questions from the Committee on how the ending fund balances and turnback processes work and how the percentages in the policy were determined.

Ms. O'Halloran suggested that the Finance Committee review the budget policy soon and examine the recommended percentages and ensure they are still realistic.

The Committee came up with the following suggestions for replenishing the Rainy Day Reserve:

- Revenue windfalls
- Revenue comes in higher than forecasted
- Expenditures are less than expected
- Do not want to cut operations in order to fund the Reserve
- Replenishing the fund must be a priority
- Set aside 1% of the annual operating revenue during the budget process – should have its own line item
- When grants are received, use the offsetting dollars for Reserve
- Prioritize the suggestions in the policy on use of excess General Fund budgeting balances (currently bulleted)
- Add money to fund before adding back programs that were cut for budget
- Must put something in policy that mandates the Rainy Day Reserve is funded
- Determine a time to payback reserve when used (3 years or 5 years were suggested)
- Possibly have a cap for the rainy day fund and once fund is full put the additional towards General Fund operating
- City Manager to propose the amount for the Rainy Day Reserve during the Budget Hearings along with an explanation of what is not funded because of directing those funds to the Reserve. Similar to the “bubble” used in previous years during budget.
- Mandate a percentage that goes to Reserve
- Determine a trigger point that requires funds go to the Reserve
- Reserve is a priority, but not if staff cuts result
- Possibility of putting funds into Reserve and then putting together the budget with the remainder of the funds
- Use several sources as triggers so as not to effect departments

These suggestions will be presented to the City Manager and a policy brought back to the Finance Committee for a recommendation.

## **6. Committee Business**

Mr. Parno asked if the Committee has ideas for agenda item topics for July. The following topics were suggested:

- Report from the Green Ribbon Task Force on funding for Parks (Mike Abatte)
- Police/Fire advisory groups update - get back to future funding discussions
- Economic Development update – what is being done to bring in development
- Report from the City Manager
- Update from Transportation including solar powered streetlight funding
- Planning Commission report on big box retail and parking requirements

- Turnback presentation

Committee members are encouraged to email other topic ideas to Ms. Leibrand prior to the next meeting.

This is Mr. Anderson's last meeting as a Finance Committee member. Committee members thanked him for his service and wished him well.

**7. Good of the Order**

None.

**8. Meeting Adjournment**

Chair Palermini adjourned the meeting at 8:58 p.m.

Next regular Finance Committee meeting will be **July 19, 2010 at 7:00 in the Oregon Trail Conference Room.**

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Tony Palermini, Chair

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Kris Leibrand, Administrative Assistant